



DEPARTMENT OF THE AIR FORCE  
WASHINGTON DC

Office of the Assistant Secretary

04 APR 2000

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/AQC  
1060 Air Force Pentagon  
Washington DC 20330-1060


SUBJECT: Department of Defense Reform Initiative Directive #53 - Reconciliation of Contracts in the Mechanization of Contract Administration Services (MOCAS) System (Dep Sec Def Memo, 23 Mar 00)

SAF/AQ Memo, 31 Jan 2000, Closeout and Reconciliation of Contracts in MOCAS, discussed the reconciliation and closeout of contracts in view of the planned retirement of MOCAS at the end of Sep 2002. A copy of the signed DRID is attached for your information.

We have been working with HQ AFMC/PK, Defense Contract Management Agency, and Defense Finance and Accounting Service to understand the scope of the task and to develop an overarching implementation plan and new contract closeout tools. AFMC/PK has established a web site at <http://www.afmc-mil.wpafb.af.mil/organizations/HQ-AFMC/PK/pkp/pkpa/mocas.htm> that provides information regarding the task at hand. Each Center has identified a point of contact to AFMC/PK to facilitate the exchange of information.

Regarding contract closeout updates during portfolio reviews that were discussed in the 31 Jan 2000 SAF/AQ memo, the attached template is forwarded for your consideration and use. The brownout period is when reconciled contracts with performance beyond Sep 2002 will migrate to Defense Procurement Payment System (DPPS) and when new contracts will enter DPPS directly in lieu of MOCAS.

Points of contact are Ms. Sandra Garland, SAF/AQCP, DSN 425-7071 and Ms. Sylvia Youngman, HQ AFMC/PKPA, DSN 787-4852.

  
TIMOTHY A. BEYLAND  
Acting Deputy Assistant  
Secretary (Contracting)  
Assistant Secretary (Acquisition)

Attachments:

1. DRID #53, 23 Mar 00
2. Template

cc:

SAF/AQ (Mrs. Druyun)  
HQ AFMC/PK

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**DEPUTY SECRETARY OF DEFENSE****1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010****23 MAR 2001**

**MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES**

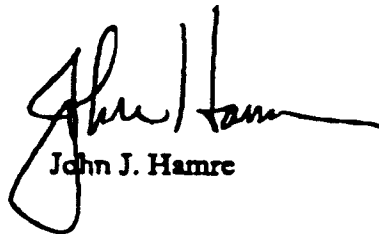
**SUBJECT: Department of Defense Reform Initiative Directive #53 - Reconciliation of  
Contracts in the Mechanization of Contract Administration Services (MOCAS)  
System**

The Defense Finance and Accounting Service (DFAS) will begin the replacement of MOCAS with the Defense Procurement Payment System (DPPS) in fiscal year 2001. The replacement of MOCAS is part of the overall plan to modernize and standardize contract and vendor pay and achieve the goal of eliminating unmatched disbursements and negative unliquidated obligations. Our objective is to retire the MOCAS system on October 1, 2002.

To ease the transition from MOCAS to DPPS, MOCAS retirement will involve a "brown out" period beginning in January 2001 where new contracts will be paid out of DPPS and existing contracts will be paid out of MOCAS. At the conclusion of this "brown out" period, all remaining MOCAS contracts will be converted from MOCAS into the new system. This allows less than three years to reconcile, close, or convert the 350,000 existing MOCAS contracts. Some of these contracts are as much as 30 years old, have extensive deliverables and/or lines of accounting, or a history of payment related issues that will require substantial time and effort to reconcile. On the other hand, performance has been long completed on many of these contracts. It is clear that transferring contracts to DPPS when performance under those contracts has been completed represents an unnecessary and unwise cost to the taxpayer. Accordingly, I direct the Military Departments and the Defense Contract Management Command (DCMC) to develop comprehensive plans closing out all completed contracts, and the orderly transition from MOCAS to DPPS for contracts with continuing requirements. DFAS will assist in reengineering the reconciliation process and procedures to support the retirement of MOCAS and close out of all contracts under which performance has been completed.

To integrate and coordinate the reconciliation, closeout, and conversion of these contracts, I direct the establishment of a DoD-wide Integrated Process Team (IPT) with membership from the Military Departments, Defense Logistics Support Command, DFAS, and the DCMC. The Principal Deputy Under Secretary of Defense (Acquisition, Technology & Logistics) and Principal Deputy Under Secretary of Defense (Comptroller) will co-chair the IPT and will monitor and report progress on the closeout and/or conversion of these contracts.

The Military Departments should initially focus on the contracts that will be the most difficult to reconcile and close. For this reason, contracts over \$100M should be the early focus with expeditious efforts to move forward and close all other contracts. The IPT will provide the Deputy Secretary of Defense with in-progress reviews every 12 weeks during this process, beginning with a review no later than June 4, 2000, of the initial plans to achieve both the close out and transition goals.



John J. Hamre



# F-X Contract Closeout

## Forecast and Actual

